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Chief Executive Officer

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April 1, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

**DEPARTMENT OF PUBLIC WORKS:
LAC+USC MEDICAL CENTER REPLACEMENT PROJECT
AWARD SUPPLEMENTAL AGREEMENTS
SPECS. 6550; C.P. 70787
(FIRST DISTRICT) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Award and authorize the Acting Director of Public Works to execute the following supplemental agreements:

1. Supplemental Agreement 45 to Consultant Services Agreement PW-11875 with Hellmuth, Obata, Kassabaum, Inc., for additional architectural and engineering services for a \$420,000 not-to-exceed amount.
2. Supplemental Agreement 3 to Consultant Services Agreement PW-11848 with Jacobs Facilities, Inc., formerly CRSS Contractors, Inc., to provide additional construction management services for a \$400,000 not-to-exceed amount.
3. Supplemental Agreement 5 to Consultant Services Agreement PW-12231 with Kleinfelder, Inc., to provide inspector of record services for a \$75,000 not-to-exceed amount.
4. Supplemental Agreement 7 to Consultant Services Agreement PW-12668 with Smith-Emery Company, to provide materials testing and special inspection services for a \$50,000 not-to-exceed amount.

5. Supplemental Agreement 4 to Consultant Services Agreement PW-11847 with Management Specialty Services, Inc., to provide continued administrative and document control support services for a \$50,000 not-to-exceed amount.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approving the recommended actions will provide sufficient contracting authority for Hellmuth, Obata, Kassabaum, Inc., to continue providing architectural, engineering, medical equipment planning, design, and construction administration services; for Jacobs Facilities, Inc., to continue providing construction management services; for Kleinfelder, Inc., to continue providing inspector of record services; for Smith-Emery Company, to continue providing materials testing and special inspection services; and for Management Specialty Services, Inc., to continue providing administrative services and document control for the LAC+USC Medical Center Replacement project (Replacement project) completion.

BACKGROUND

Construction of the Replacement project is approximately 99 percent complete, and the contractor was scheduled to complete construction by the end of 2007. However, the contractor continues working to complete various punchlist corrections, Office of Statewide Health Planning and Development close out documentation, and making adjustments to the heating, ventilation, air conditioning, and other building systems. Hellmuth, Obata, Kassabaum, Inc., Jacobs Facilities, Inc., Kleinfelder, Inc., Smith-Emery Company, and Management Specialty Services are needed to continue to provide oversight and coordination services during these final completion activities.

The current supplements are intended to provide support services through completion of construction and close out of the construction contract. Although not included in these supplements, it is conceivable that additional services may be required to assist the Department of Health Services as they transition their operations into the new facility. These services, if required, would be addressed in additional supplements.

As in the previous Board letter of October 23, 2007, regarding consultant supplemental agreements, the fees have been negotiated to remain within the previous fee structure without increases.

Hellmuth, Obata, Kassabaum, Inc. – Supplemental Agreement 45

On October 1, 1998, Agreement PW-11875 in the amount of \$45,025,000 was executed with Hellmuth, Obata, Kassabaum, Inc. to provide the architectural and engineering

services for the project. On October 23, 2007, your Board approved a supplemental agreement to the Hellmuth, Obata, Kassabaum agreement, which extended the duration of construction administration services to March 1, 2008. Because the contractor is continuing to work to complete the final construction details, and Hellmuth, Obata, Kassabaum's services are essential during this close out period, the Department of Public Works supplemented their contract using delegated authority in the amount of \$150,000. As described above, there is a need for Hellmuth, Obata, Kassabaum, Inc. to continue construction administration services during the close out and punchlist process through June 30, 2008.

To date, numerous supplemental agreements for additional services have been issued for a total value of \$7,547,339. The proposed supplemental agreement is for a \$420,000 not-to-exceed fee.

Jacobs Facilities, Inc. – Supplemental Agreement 3

On June 16, 1998, your Board awarded Agreement PW-11848 to Jacobs Facilities, Inc. for \$47,600,000 to provide construction management services. Subsequently, two supplemental agreements for additional construction management services were awarded with a combined \$4,600,000 value bringing the total current contract value to \$52,200,000.

Jacobs Facilities' project staffing has been incrementally reduced as individual elements of the project have been completed. Based on the contractor's completion schedules for the various remaining portions of the construction work, systems acceptance testing, and heating, ventilation, and air conditioning balancing, we now expect to have a reduced level of Jacobs Facilities staffing through June 30, 2008.

The fee for the proposed supplemental agreement with Jacobs Facilities, Inc. is \$400,000 and would increase the total contract amount to \$52,600,000.

Kleinfelder, Inc. – Supplemental Agreement 5

On October 3, 2000, your Board awarded Agreement PW-12231 to Kleinfelder, Inc. for \$4,372,936 to provide inspection services for the project. Subsequently, four supplemental agreements to provide inspector of record services were approved increasing the total current contract value to \$6,267,936.

The proposed supplemental agreement allows Kleinfelder, Inc. to continue inspection services for the remaining construction duration through June 1, 2008. The proposed

\$75,000 supplemental agreement would increase the total contract amount for Kleinfelder, Inc. to \$6,342,936.

Smith-Emery Company - Supplemental Agreement 7

On February 20, 2003, your Board awarded Agreement PW-12668 to Smith-Emery Company for \$5,781,000. Subsequently, six supplemental agreements for materials testing and special inspection services were awarded for a combined \$4,280,000 value, bringing the total current contract value to \$10,061,000.

Approval of this supplemental agreement will allow Smith-Emery Company to continue providing materials testing and special inspection services for the remaining construction duration through June 1, 2008.

Management Specialty Services – Supplemental Agreement 4

On June 16, 1998, your Board awarded Agreement PW-11847 to Management Specialty Services, for \$5,400,000. Subsequently, three supplemental agreements for administrative and document control services were awarded for a combined \$1,240,000 value, bringing the total current contract value to \$6,640,000.

Approval of this supplemental agreement will allow Management Specialty Services to continue providing administrative and document control services for the remaining construction duration through June 30, 2008.

Implementation of Strategic Plan Goal

This action meets the Countywide Strategic Plan Goal of Service Excellence (Goal 1) by promoting best practices for patient care and the Goal of Fiscal Responsibility (Goal 4) by investing in public health infrastructure.

FISCAL IMPACT/FINANCING

There is sufficient appropriation in the existing project budget to fund the award of the supplemental agreements. The supplemental agreements for Hellmuth, Obata, Kassabaum, Inc. in the amount of \$420,000, Jacobs Facilities, Inc. in the amount of \$400,000, Kleinfelder, Inc. in the amount of \$75,000, Smith-Emery Company in the amount of \$50,000, and Management Specialty Services in the amount of \$50,000, related to the Replacement project remain within the previously Board-approved budget of \$899,713,218.

The project is funded by Federal and State disaster aid monies, Tobacco Settlement Asset-Backed Bonds, Commercial Paper proceeds, Vehicle Licenses Fee Gap Loan Funds, and net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Standard supplemental agreements, in the form previously approved by County Counsel, will be used. The existing consultant agreements include the standard Board-directed clauses that provide for contract termination, renegotiation, hiring qualified displaced County employees, and consideration of Greater Avenues for Independence (GAIN) and General Relief Opportunities for Work (GROW) program participants as well as requiring the consultants to comply with Los Angeles County Code Chapter 2.200 (Child Support Compliance Program) and Chapter 2.203 (Contractor Employee Jury Services Program), and to notify their employees about Board Policy 5.135 (Safely Surrendered Baby Law) and that they may be eligible for the Federal Earned Income Credit.

We have reviewed the above recommendations as well as the potential cost and schedule impacts with the Project Advisory Committee.

ENVIRONMENTAL DOCUMENTATION

On June 6, 2000, your Board certified the Environmental Impact Report/Environmental Assessment for the project. The recommended action is within the scope of the previously certified Environmental Impact Report.

CONTRACTING PROCESS

The recommended supplemental agreement with Hellmuth, Obata, Kassabaum, Inc. constitutes a 0.60 percent increase to the original contract and will bring the total contract value to \$52,842,339.

The recommended supplemental agreement with Jacobs Facilities, Inc. constitutes a one percent increase to the original contract and will bring the total contract value to \$52,600,000. On October 23, 2007, your Board approved a supplemental agreement with Jacobs Facilities, Inc. in the amount of \$1,800,000, of which \$300,000 was specified to provide support services for various enhancements proposed and funded by Health Services. Based on a more complete understanding of the scope of the proposed enhancements, much less support was needed from Jacobs Facilities, Inc. to complete those improvements, and \$250,000 of that contracting capacity was redirected to support completion of the Replacement project.

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The recommended supplemental agreement with Kleinfelder, Inc. constitutes a two percent increase to the original contract and will bring the total contract value to \$6,342,936.

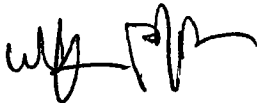
The recommended supplemental agreement with Smith-Emery Company constitutes a one percent increase to the original contract and will bring the total contract value to \$10,081,000.

The recommended supplemental agreement with Management Specialty Services constitutes a one percent increase to the original contract and will bring the total contract value to \$6,690,000.

CONCLUSION

Upon approval of the recommendations, please forward an adopted, stamped copy to my office.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:DDE:DL
JSE:DJT:DKM:z

- c: County Counsel
- Department of Health Services
- Department of Public Social Services (GAIN/GROW Program)
- Department of Public Works (Project Management Division I)
- Project Advisory Committee